



# Memorandum

**TO:** CITY COUNCIL

**FROM:** Mayor Chuck Reed  
Vice Mayor Madison Nguyen  
Councilmember Rose Herrera  
Councilmember Kansen Chu

**SUBJECT:** McCarthy Ranch Property  
Development Restrictions

**DATE:** March 7, 2014

**APPROVED:**

*Chuck Reed*

**DATE:**

*3/7/14*

*Kansen Chu* *Rose Herrera*  
*Madison Nguyen*

## RECOMMENDATION

Direct staff to return to City Council in August 2014, with a resolution authorizing the City Manager to execute an amendment to the McCarthy Ranch Declaration of Covenants, Conditions & Restrictions (CC&R's) and Agreement. The amendment should provide a process that would allow early termination of development restrictions on the McCarthy Ranch property upon occurrence of the following conditions:

- i. Completion of the biosolids improvements at the Regional Wastewater Treatment Facility and transition to the new biosolids treatment process;
- ii. Verification that no odor problem exists based on an odor modeling methodology to be determined; and,
- iii. Payment of a fair market value for the land the City acquired as part of the transaction, or \$6 million whichever is the greater, upon the termination of the CC&R's.

## BACKGROUND

In 1998, the City recorded development restrictions on the McCarthy Ranch property, prohibiting odor sensitive uses which could be impacted by odors from the Regional Wastewater Treatment Facility. It was agreed that the CC&R's would terminate in March 2058, unless it was established that the odors were no longer likely to be an issue to the future development of the property. As part of that transaction, the City paid \$6 million for a six-acre strip of land along the trail, the use of which was restricted to open space purposes only.

The Regional Wastewater Treatment Facility Master Plan was adopted by Council in November 2013, with the support of the Treatment Plant Advisory Committee. The Master Plan includes the biosolids transition project and odor control features. With the plan moving ahead, the terms under which the Council might consider terminating the development restrictions on the McCarthy Ranch property should be revised.